

Please amend the claims as follows:

Claims 1 -13. (Cancelled)

14. (Currently Amended) A method of making a smectite clay slurry of a naturally occurring clay, comprising:

(a) ~~treating a mixture of~~ dispersing one or more naturally occurring smectite clays[[,]] ~~and water with~~ one or more phosphonate additives and water to form a clay slurry; and

(b) shearing the clay slurry.

15. (Currently Amended) A method according to claim 14, wherein the naturally occurring smectite clay is hectorite.

16. (Currently Amended) A method according to claim 14, wherein the phosphonate additive is 1-hydroxyethylene-1,1-diphosphonic acid tetra sodium salt.

17. (Currently Amended) A method of making a smectite clay slurry of a naturally occurring clay according to claim 14, wherein the shearing is performed by a Gaulin homogenizer.

18-22. (Cancelled)

23. (Currently Amended) A method of making a smectite clay slurry of a naturally occurring clay, comprising:

(i) ~~treating a mixture of~~ dispersing one or more naturally occurring smectite clays and ~~water with~~ one or more phosphonate additives with water to form a clay slurry, wherein the phosphonate ~~additive~~ additives [[is]] are selected from the group consisting of:

a) Diphosphonic acids of formula $R^1R^2C(PO(OH)_2)_2$,

b) Diphosphonic acids of formula $R^1-CR^2(PO(OH)_2)-R^3-CR^2PO(OH)_2-R^5$,

and

c) ~~The lithium, sodium, potassium, calcium and magnesium salts of the compounds described under a) and b)~~ salts thereof,

where R^1 is [[be]] selected from the group consisting of H, a linear or branched alkyl, alkene, hydroxyalkyl, aminoalkyl, hydroxyalkene, aminoalkene with 1 to 22 carbon atoms and an aryl, hydroxyaryl, aminoaryl with 6 to 22 carbon atoms; R^2 is selected from the group consisting of R^1 and OH; R^3 is an alkyl with 0 to 22 carbon atoms; and both R^4 and R^5 [[is]] are selected from the group R^1 ; and

(ii) shearing the clay slurry.

24. (New) The method of claim 14, wherein said dispersing is performed in the absence of an organic liquid.

25. (New) The method of claim 14, further comprising
preparing a dry mix of the naturally occurring clay and one or more phosphonate
prior to dispersing with water.

26. (New) The method of claim 23, further comprising
preparing a dry mix of the naturally occurring clay and one or more phosphonate
prior to dispersing with water.